

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:346

ANSWERED ON:26.07.2005

ENTREPRENEURSHIP DEVELOPMENT AMONG YOUTH

Chouhan Shri Shivraj Singh

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a) whether the Union Government has formulated any scheme to develop entrepreneurship among youths enabling them to set up small scale industries by them;
- (b) if so, the details thereof;
- (c) whether the targets were fixed under this scheme for last three years;
- (d) if so, the details thereof;
- (e) whether any hindrance has been noticed in the implementation of this scheme; and
- (f) if so, the details thereof and the reasons therefor and the steps proposed to be taken to rectify them?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): The Union Government has formulated a Scheme, namely, Prime Minister's Rozgar Yojana (PMRY), for self-employment of educated youth by assisting them in setting up small industrial and service enterprises, each costing upto Rs. 2 lakh. This is a credit linked subsidy Scheme which is implemented by the State/Union Territory (UT) Governments through their District Industries Centres (DICs) and banks, in both rural and urban areas of the country. Under the Scheme, loans from banks constitute 80 per cent of the project cost and the remaining 20 per cent is provided by way of subsidy from the Central Government and margin money contribution of the beneficiary.

(c)&(d): Targets of 2.20 lakh, 2.20 lakh and 2.50 lakh projects have been fixed under this Scheme for last three years, i.e., 2002-03, 2003-04 and 2004-05 respectively.

(e)&(f): The hindrances faced in implementation of the Scheme include under financing of projects and insistence on collateral security by banks, delay/difficulty in the applicants obtaining necessary approval/clearance for undertaking the activity, allotment of sheds, power connection, water supply from the State/UT agencies concerned, low recovery of loans affecting further lending by the banks, etc.

The remedial steps taken include restructuring the training curricula under the Scheme with emphasis on setting up viable units, reiteration of instructions of the Reserve Bank of India not to under finance the projects and not insist on collateral security and to dispose of the applications received within the stipulated time limits/as per the prescribed quarterly schedules, improving recovery of loans through joint efforts of banks and State/UT DIC officials, urging the State/UTs to expedite local clearances, etc.